THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) No, Sir.

(c) and (d) Department of Industrial Policy and Promotion (DIPP) had resived the policy regarding the period of payment of royality by. Indian companies to overseas collaborators on June 24,2003. Earlier, only Wholly Owned Subsidiaries (WOS) were allowed to pay royalty to parent companies without any restrictions of the duration of payment, while other companies were allowed payment of royalty up to 10 years from the date of agreement or 7 years from the date of commencement of commercial production. DIPP has relaxed this stipulation thereby bringing other companies on par with WOS as far as period of payment of royalty is concerned.

Foreign exchange remittances received from NRIS

715. DR. VIJAY MALLYA:
SHRI LAJPAT RAI:

Will the Minister of FINANCE be pleased to state:

(a) Foreign Exchange remittance received from NRIs and PIOs during the last three years, year-wise;

(b) what specific additional incentives are provided to the NRIs/PIOs besides liberalization in foreign direct investment facilities; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Foreign exchange remittances from NRIs and PIOs during the last three financial years are as given below:

(US $ million)

2000-01	2001-02	2002-03
12,873	12,192	15,174

(b) and (c) Details of incentives/facilities available to Non-Resident Indians/Persons of Indian origin are given in the Statement.

Statement

Details of incentives/facilities available to non-residents/persons of Indian origin

0) Bank Accounts and Deposits:

(a) NRE Accounts (Principal/interest repatriate)

(b) FCNR(B) Principal/interest repatriable

(c) NRO Accounts (Current earnings repatriable) Authorised Dealers can allow remittances/s upto US $ 1 million for any purpose per calendar year from balances in NRO Accounts subject to payment of applicable taxes.

(ii) **Other investments on repatriation basis:**

* Government dated securities/treasury bills.
* Units of domestic mutual funds.
* Bonds issued by a Public Sector Undertaking (PSU) in India.

  Shares in Public Sector Enterprises being disinvested by the Government of India.
* Investments under Portfolio Investment Schemes.
* , Deposits with Indian companies/financial institutions.

(iii) Other investments on Non repatriation basis:

Units of Money Market Mutual Funds in India.

* The Capital of a firm of proprietary concern in India, not engaged in any agricultural or plantation activity or real estate business.

(iv) Investments in Immovable Property:

May acquire immovable property in India other than agricultural/plantation property or a farmhouse.

(v) Facilities to returning NRIs/PIOs:

Returning NRIs/PIOs

* may continue to hold, own transfer or invest in foreign currency, foreign security of any immovale property situated outside India, if such currency, security or property was acquired, held or owned when resident outside India.
* may open, hold and maintain with an authorised dealer in India a Resident Foreign Currency (RFC) Account to transfer balances held in NRE/FCNR(B) accounts, Proceeds of assets held outside India at the time of return, can be credited to RFC account. The funds in RFC accounts are free from all restrictions regarding utilisation of foreign

currency balances including any restriction on investment in any form outside India.

Increase in Government's subsidies

716. SHRI PREM CHAND GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government's bill on the major subsidies like food, fertiliser and petroleum rose by around Rs. 9744 crores to top Rs. 26,495 crores during the period from April, 2003 to September, 2003 as compared to Rs. 16,751 crores for the previous year amounting to 58 per cent increase in our subsidy bill;

(b) whether it resulted in a 60 per cent increase in our fiscal deficit; and

(c) if so, what are Government's views on this?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir. Government expenditure on major subsidies during the first half of the financial year 2003-04 was Rs. 26,495 crore, which represents an increase of Rs. 9,744 crore (58.2 per cent) over corresponding period previous year.

(b) Fiscal deficit for April-September 2003 was Rs. 81,014 crore, which is 52.7 per cent of Budget Estimates. The fiscal deficit in nominal terms has grown by 40.3 per cent in April-September, 2003 over April-September 2002. The increase of Rs. 9,744 crore on account of major subsidies in April-September 2003 accounts for only 41.9 per cent of the increase in fiscal deficit of Rs. 23,268 crore over corresponding period last year.

(c) As indicated in the following table, the increase in major subsidies in the first six months of the current financial year is mainly on account of increase in subsidies on food, petroleum products and indigenous fertilisers.

Major subsidies

(Rs. Crore)

Items	April-Sept. 2002	April-Sept. 2003
1	2	3
Food	11596	16006
Fertiliser (Indigenous)	3917	5576